

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

PRUDENTIAL COOPERATIVE URBAN BANK LTD, Secunderabad – Withdrawal of prosecution against the accused Sri P.Ramakrishna Rao and 7 others Ex-Board of Directors of Prudential Cooperative Urban Bank Limited in Cr.No.12/2003 under sections 120-B, 409, 420, 477-A of the Indian Penal Code, 1860 and the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 in CC No.5/2003 pending before the I Addl. Metropolitan Sessions Judge, Hyderabad – Orders – Issued.

LAW (L.A.&J – HOME – COURTS-B) DEPARTMENT

G.O.Rt.No. 2022

Dated: 05-12-2009

Read the following:-

1. Representations from Sri P. Ramakrishna Rao, dated:15.12.2008.
2. Representations from Sri C.M. Prakash Rao, dated:15.12.2008.
3. Representations from Sri P. Bal Reddy, , dated:15.12.2008.
4. Representations from Sri D. Vinod Kumar, dated:15.12.2008.
5. Representations from Sri B. Pullaiah, dated:15.12.2008.
6. Representations from Sri P.R.Mohan, dated:15.12.2008.
7. Representations from Sri P. Madhusudhan Rao, dated:15.12.2008.
8. Representations from Sri B. Muralidhar, dated:15.12.2008.
9. Govt. Memo.No.28/Coop.III(1)/2009-1, dated:05.01.2009.
10. From the CC&CRS, Hyderabad, letter No.28316/2008-LU-1, dt.02.02.2009.
11. From the Joint/District Coop. Officer, Prudential Coop. Bank Ltd., Hyderabad, dated:02.02.2009..
11. Govt.Memo.No.5543/Courts.B2/2009-1, dated:27.02.2009.
12. From the DGP, AP, Hyd. Lr.No.964/C1/2009, dated:06.06.2009.

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ORDER:

In the representations 1 to 8 read above, the Ex-Members of the erstwhile Board of Directors of M/s. The Prudential Co-Operative Urban Bank Ltd., Secunderabad mentioned below have stated that due to false news published about the Bank by only one leading local English Daily News Paper which is based on false information, resulted in repayment of deposits to the tune of Rs.120 Crores in One Day and with this, the entire liquidity has gone from the Bank. In spite of the above big jolt, they could still run the Bank normally for nearly one year till such time, ban was imposed on the Bank by the Reserve Bank of India from carrying on Banking Business. Out of two big borrowers mentioned in the charge sheet filed in the Court, one M/s. Country Club Ltd. has completely repaid the amounts due to the bank and another borrower M/s Nav Bharat Enterprises Ltd. has already repaid substantial amount due to the bank and may close its loan account fully within a couple of weeks. Further in view of the position explained therein, after repaying everybody the bank will still have surplus amounts to the extent of Rs.60-70 Crores with which regular banking business can be carried on after obtaining the necessary permission from RBI, without the Bank being liquidated and have requested the Government that the criminal case filed and pending against them may be dropped / withdrawn, since they are not due any amount to the bank and none of the depositors has suffered any financial loss.

S/Sri

1. P.Ramakrishna Rao, Ex-Board of Director;
2. C.M.Prakash Rao, Ex-Board of Director;
3. P. Bal Reddy, Ex-Board of Director;
4. D. Vinod Kumar, Ex-Board of Director;
5. P.R. Mohan, Ex-Board of Director;
6. P. Madhusudhan Rao, Ex-Board of Director;
7. B. Murlidhar, Ex-Board of Director;
8. B. Pullaiah, Ex-Managing Director Board of Director

2) The Commissioner for Cooperation and Registrar of Cooperative Societies, A.P., Hyderabad in his letter 10th read above, based on the report of the Liquidator, Prudential Cooperative Urban Bank Limited, Hyderabad and for the reasons mentioned therein, has informed that Government may consider the representations of Ex-Directors of the Bank to withdraw the prosecution, since there is no outstanding loan

against them and out of the (3) loan amounts which mainly figured in FIR, two were already settled and closed in third account substantial payments are received and value of existing securities are enough to recover the balance due.

3) The Director General of Police, Andhra Pradesh, Hyderabad based on the report of the Addl. Director General of Police (CID), Spl. Public Prosecutor, for the reasons mentioned therein has not recommended for the withdrawal of Prosecution against the above accused, as the allegations against the Board of Directors are very serious in nature and that the offences alleged against them are not compoundable in nature and cannot be withdrawn on any ground and if the Government orders withdrawal of the case against them, the entire case would suffer.

4) Government after careful examination of the matter have decided to withdraw the prosecution pending against the following accused in Cr.No.12/2003 under sections 120-B, 420, 409, 477-A of the Indian Penal Code, 1860 and Section 5 of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 in CC No.5/2003 pending before the 1st Addl.Metropolitan Sessions Judge, Hyderabad on the ground that almost entire loan amount is recovered by Bank from the loanees that they did not avail any loan and that there are no deposits / funds in the bank in their name and out of the (3) loan accounts figured in FIR, two (2) were already closed. The case against the loanees A-15 to A-23 was already withdrawn on the ground that they have repaid the entire loan amount.

S/Sri

1. P.Ramakrishna Rao, Ex-Board of Director;
2. C.M.Prakash Rao, Ex-Board of Director;
3. P. Bal Reddy, Ex-Board of Director;
4. D. Vinod Kumar, Ex-Board of Director;
5. P.R. Mohan, Ex-Board of Director;
6. P. Madhusudhan Rao, Ex-Board of Director;
7. B. Murlidhar, Ex-Board of Director;
8. B. Pullaiah, Ex-Managing Director Board of Directors

5) The Collector & District Magistrate, Hyderabad is, therefore, directed to see that the Asst. Public Prosecutor concerned apply his mind and take appropriate steps to file a petition under section 321 of the Code of Criminal Procedure 1973 (Central Act 2 of 1974) for withdrawal of prosecution against the accused mentioned in para (4) above, the Ex-Directors of M/s. Prudential Cooperative Urban Bank Limited, Hyderabad in Cr.No.12/2003 under sections 120-B, 420, 409, 477-A of the Indian Penal Code, 1860 (Central Act 45 of 1860) and Section 5 of Andhra Pradesh Protection of Depositors Financial Establishments Act, 1999 of Crime Investigation Department Police Station, Hyderabad which is pending before the 1st Addl.Metropolitan Sessions Judge, Hyderabad vide CC No.5/2003 under intimation to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.RAMACHANDRA REDDY,
SECRETARY TO GOVERNMENT
LEGISLATIVE AFFAIRS & JUSTICE

To

The Collector & District Magistrate, Hyderabad.

The Director General of Police, Andhra Pradesh, Hyderabad.

The Addl. Director General of Police (CID), Hyderabad.

The Asst. Public Prosecutor concerned (thro' Collector concerned)

Copy to

The Law (E) Department.

The P.S. to Secretary to Government (LA&J).

SC / SF

// forwarded :: by order //

Section Officer